



**BRIEFING: JANUARY 23, 2013 BOARD MEETING AGENDA ITEM #3**

**TO:** Chairman Richard and Board Members

**FROM:** Jeff Morales, Chief Executive Officer

**DATE:** January 23, 2013

**RE:** Approval to Award Contract for Project and Construction Management Services for Construction Package 1

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**Background**

This paper presents the plan for the procurement and implementation of project and construction management (PCM) services for on-site management of the design-build contracts and the scope of services to be included in the RFQ. As the program moves into the higher capital expenditure execution phase, the PCM role enhances the Authority's ability to effectively manage multiple, multi-billion dollar contracts and the associated risks.

In addition, a strategy to procure a separate PCM team for each design-build contract was developed so that PCM expertise can be best matched to the particular scope of each design-build contract. For example, a PCM specializing in tunnel work will be selected for the contracts with major tunneling work, track experience will be matched to track work and core systems for core systems contracts. The PMT will continue to provide the Authority with overall program wide expertise and guidance, while ensuring management consistency across all PCM and DB contracts.

This approach is consistent with standard industry approaches on mega projects and, in particular, on large design-build projects throughout the world. The inclusion of additional PCM firms also distributes the work of this enormous project across more firms and creates additional opportunities across the state.

On September 11, 2012 the Board approved the issuance of a Request for Qualifications (RFQ) for PCM Services.

## 1 Discussion

### RFQ Process

A Request for Qualifications was issued on October 4, 2012. A pre-bid meeting was held in Fresno on October 15, 2012 to brief potential participants on the scope and expectations of this procurement. On November 2, 2012, the Authority received Final Statements of Qualifications (SOQ) from four teams: Arcadis, Caltrop, Hill International, and Wong/Harris.

### 1.2 Evaluation Process

On November 5 the SOQs were distributed to the five member evaluation panel for review. The panel scored the four SOQs per the criteria from the RFQ shown below.

		Maximum Score	Actual Score
1.	<b>UNDERSTANDING OF PROJECT REQUIREMENTS</b> <ul style="list-style-type: none"><li>Has the Bidder demonstrated a thorough knowledge of the project?</li><li>Has the Bidder demonstrated a thorough knowledge of what is required to monitor and measure performance of the PCM Services?</li><li>Is there sufficient evidence of analysis to lend credibility to the commitments made?</li></ul>	20	
2.	<b>ORGANIZATION AND MANAGEMENT PLAN</b> <ul style="list-style-type: none"><li>Does the proposed project organization present a clear and logical framework?</li><li>Is the management approach complementary and responsive to the RFQ requirements? Does the Bidder staffing plan convey the proper level of response for the work at hand?</li><li>Does it demonstrate a high level of commitment and resource availability?</li></ul>	20	
3	<b>SMALL BUSINESS PARTICIPATION</b> <ul style="list-style-type: none"><li>Does the approach to Small Business utilization demonstrate the Bidder's responsiveness in meeting the Authority's Small Business goal objectives? Scoring will be based on percentage of goal met.</li></ul>	10	
4.	<b>KEY PERSONNEL AND ROLES</b> <ul style="list-style-type: none"><li>Are the personal qualifications and professional skills of the</li></ul>	15	

	project manager, senior professionals and Key Personnel nominees appropriate for the roles assigned? <ul style="list-style-type: none"> <li>Does the project manager have sufficient authority within his organization to effectively lead and manage the project?</li> </ul>		
5.	<b>DESIGN-BUILD PROJECT OVERSIGHT CAPABILITIES</b> <ul style="list-style-type: none"> <li>Has the Bidder given clear evidence through narratives and examples of prior work that it has the capability to carry out the PCM Services for a project of this complexity and magnitude with autonomy?</li> </ul>	20	
6.	<b>WORK PROGRAM AND WBS</b> <ul style="list-style-type: none"> <li>Does the Bidder's work plan demonstrate a clear understanding of the PCM requirements and the services requested in the RFQ?</li> <li>Are the task descriptions succinct yet sufficiently specific to define the scope-of-work?</li> </ul>	15	
7.	<b>SOQ Transmittal Letter signed by an authorized Officer</b>  (Pass/Fail – must include but no points scored)	N/A	
<b>Total</b>		<b>100</b>	

Based on this evaluation, the top three teams (Arcadis, Hill, and Wong/Harris) were selected for the discussion stage of the evaluation. On November 13, the evaluation panel met individual with each of the three teams. This process consisted of a presentation from each proposer followed by questions and answers. These discussions were scored on the following criteria from the RFQ shown below:

		<b>Maximum Score</b>	<b>Actual Score</b>
1.	<b>STATEMENT OF QUALIFICATIONS (carry over)</b>	20	
2.	<b>PRESENTATION</b> <ul style="list-style-type: none"> <li>Quality and appropriateness of the presentation</li> <li>Logic of the chosen speakers relative to project challenges</li> <li>Project manager control over the team</li> </ul>	20	

<b>3.</b>	<b>PROJECT MANAGER PARTICIPATION</b> <ul style="list-style-type: none"> <li>• Quality of presentation and responsiveness to questions</li> <li>• Understanding of PCM challenges and requirements</li> <li>• Perceived level of involvement with SOQ structure, content and presentation plan</li> </ul>	20	
<b>4.</b>	<b>KEY STAFF PARTICIPATION</b> <ul style="list-style-type: none"> <li>• Quality of presentations and responsiveness to questions</li> <li>• Understanding of assignment challenges and requirements</li> <li>• Perceived level of involvement with SOQs preparation</li> </ul>	20	
<b>5.</b>	<b>UNDERSTANDING OF PROJECT</b> <ul style="list-style-type: none"> <li>• Does Bidder convey an understanding of the critical project success factors?</li> <li>• Is the Bidder able to provide evidence of successful small business utilization for this project?</li> <li>• Is the Bidder able to provide evidence of prior project experience with challenges of this magnitude and complexity?</li> <li>• Is the Bidder candid about any project failings that have been instructive for addressing the particular needs of this project?</li> </ul>	20	
<b>Total:</b>		<b>100</b>	

Based on the final tally of the scores, the teams were ranked from 1 to 3. The highest scoring team was Wong/Harris.

### **1.3 Negotiation Process**

Authority staff entered into negotiations with the top rated team of Wong/Harris. After a series of meetings and proposals, an agreement was reached on a price in the amount of \$34,908,809.

## **2 Recommendation**

Staff recommends that the Board approve the execution of a contract with Wong/Harris for Project and Construction Management services for the management of the CP-01 Design Build contract.

### **Attachment**

- Resolution #HSRA 13-01
- Wong/Harris plan for meeting SBE Goals
- PowerPoint